

CRAVATH, SWAINE & MOORE

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DAVID O. BROWNWOOD
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RICHARD M. ALLEN
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ROBERT D. JOFFE
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ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
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MARTIN L. SENDEL
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JOSEPH A. MULLINS
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ROSWELL L. GILPATRICK
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CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

RECEIVED
JUL 14 3 23 PM '80
I. C. C.
FEE OPERATION BR.

11996
RECORDATION NO. Filed 1425

JUL 14 1980 - 4 PM

INTERSTATE COMMERCE COMMISSION

No. 0-196A071

Date JUL 14 1980

Fee \$ 100.00

ICC Washington, D. C.

RECORDATION NO. 11996-1
JUL 14 1980 - July 11, 1980

INTERSTATE COMMERCE COMMISSION

The Dow Chemical Company
Lease Financing Dated as of June 15, 1980
11-5/8% Conditional Sale Indebtedness Due 2001

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of The Dow Chemical Company for filing and recordation counterparts of the following documents:

(1) (a) Conditional Sale Agreement dated as of June 15, 1980, between First Security State Bank, as Trustee, and each of General Motors Corporation (Electro-Motive Division), ACF Industries, Incorporated, and General American Transportation Corporation; and

(b) Agreement and Assignment dated as of June 15, 1980, between Mercantile-Safe Deposit and Trust Company, and each of General Motors Corporation (Electro-Motive Division), ACF Industries, Incorporated, and General American Transportation Corporation.

(2) (a) Lease of Railroad Equipment dated as of June 15, 1980, between The Dow Chemical Company and First Security State Bank, as Trustee; and

(b) Assignment of Lease and Agreement dated as of

Angie McEwen

Cravath

11996
RECORDATION NO. Filed 1425
JUL 14 1980 - 4 PM
INTERSTATE COMMERCE COMMISSION

June 15, 1980, between First Security State Bank, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Vendor-Assignee-Agent:

Mercantile-Safe Deposit and Trust Company,
2 Hopkins Plaza,
Baltimore, Maryland 21203.

(2) Trustee:

First Security State Bank,
79 South Main Street,
Salt Lake City, Utah 84111.

(3) Builders-Vendors:

ACF Industries, Incorporated,
750 Third Avenue,
New York, N. Y. 10017

General Motors Corporation
(Electro-Motive Division),
La Grange, Illinois 60525.

General American Transportation Corporation,
120 South Riverside Plaza,
Chicago, Illinois 60606.

(4) Lessee:

The Dow Chemical Company,
2020 Dow Center,
Midland, Michigan 48640.

Please file and record the documents referred to in this letter and cross-index them under the names of the Vendor-Assignee-Agent, the Trustee, the Builders-Vendors and the Lessee.

The equipment covered by the aforementioned documents consists of the following:

6 20,000 gal. capacity tank cars, AAR Mechanical Designation T, bearing identifying numbers of the Lessee 3258-3263, all inclusive;

58 33,500 gal. capacity tank cars, AAR Mechanical Designation T, bearing identifying numbers of the Lessee 8169-8226, all inclusive;

22 21,000 gal. capacity tank cars, AAR Mechanical Designation T, bearing identifying numbers of the Lessee 4535-4556, all inclusive;

31 11,000 gal. capacity tank cars, AAR Mechanical Designation T, bearing identifying numbers of the Lessee 4504-4534, all inclusive;

5 1,000 h.p. diesel electric locomotives, AAR Mechanical Designation SW1001, bearing identifying numbers of the Lessee 1001-1003 and SW1-2, all inclusive; and

37 100-ton capacity covered hopper cars, AAR Mechanical Designation LO, bearing identifying numbers of the Lessee DOWX 2674-2710, all inclusive.

There is also enclosed a check for \$100 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document) and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,



Kevin J. Grehan
As Agent for
The Dow Chemical Company

Agatha L. Mergenovich, Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

11996-
RECORDATION NO. Filed 1425

JUL 14 1980 - 3 22 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref: 3626-011]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of June 15, 1980

Between

FIRST SECURITY STATE BANK, not in its
individual capacity but solely as
Trustee under a Trust Agreement dated
as of the date hereof with the First
Security Bank of Utah, N.A.,

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
As Agent.

ASSIGNMENT OF LEASE AND AGREEMENT
dated as of June 15, 1980 (this "Assignment"), by and between FIRST SECURITY STATE BANK, not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, called the "Lessor" or the "Vendee") acting under a Trust Agreement dated as of the date hereof ("Trust Agreement"), with FIRST SECURITY BANK OF UTAH, N.A. ("Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent (together with its successors and assigns the "Vendor") under a Participation Agreement dated as of the date hereof.

The Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with General Motors Corporation (Electro-Motive Division), General American Transportation Corporation and ACF Industries, Incorporated (the "Builders"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in the Annex thereto as are delivered to and accepted by the Vendee thereunder.

The Lessor and The Dow Chemical Company ("the Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing of the Units to the Lessee by the Lessor.

In order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in Article 4 of the CSA), the Lessor agrees to assign to the Vendor for security purposes the Lessor's rights in, to and under the Lease.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the

payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease (except any amounts of indemnity payable to the Lessor pursuant to § 6 or 9 of the Lease or the Indemnity Agreement dated as of the date hereof between the Lessee and Lessor), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty or termination payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease; and to the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default shall have occurred and be continuing under the CSA, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor by check mailed to the Lessor on such date or, upon written request of the Lessor, by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor; provided, however, that, unless and until the Vendor shall otherwise direct the Lessee in writing pursuant to Paragraph (1) of the attached Consent and Agreement, the Lessee may pay directly to the Lessor that portion of the Payments not required from time to time to satisfy the obligations of the Lessor under the CSA. If the Vendor shall not receive any rental payment under the first paragraph of § 3 of the Lease or any payment under § 7 of

the Lease when due, the Vendor shall forthwith notify the Lessor by telephone (confirmed in writing) or telegraph at the address set forth in the Lease; provided, however, that the failure of the Vendor so to notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment modification or termination thereof without consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise) to ask, require, demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay and discharge any and all taxes, claims, liens, charges or security interests (other than created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including income taxes arising out of rentals and any other payments under the Lease and any other proceeds of the Equipment) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals, other payments or proceeds, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law as reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the State of Utah, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor

at Two Hopkins Plaza, Baltimore, Maryland 21203, Attention of Corporate Trust Department, or such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no Event of Default under the Lease or event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Lessor may, so long as no such event of default under the CSA has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the Lease; provided, however, that the Lessor shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

12. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all others shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

It is expressly agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by the financial institution acting as Lessor hereunder or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as that term is used in the Trust Agreement and this Assignment is executed and delivered by the Lessor

solely in the exercise of the powers expressly conferred upon the Lessor under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, undertaking or agreement hereunder of said financial institution, acting in its capacity as Lessor or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

[Seal]

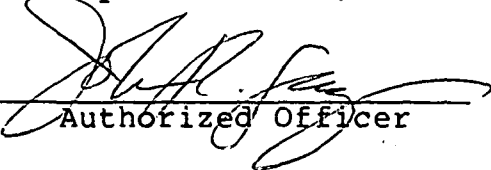
FIRST SECURITY STATE BANK, not
in its individual capacity,
but solely as Trustee,

Attest:

by



Authorized Officer



Authorized Officer

[Seal]

MERCANTILE-SAFE DEPOSIT & TRUST
COMPANY,

by

[Corporate Seal]

Assistant Vice President

Attest:

Corporate Trust Officer

solely in the exercise of the powers expressly conferred upon the Lessor under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, undertaking or agreement hereunder of said financial institution, acting in its capacity as Lessor or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

[Seal]

FIRST SECURITY STATE BANK, not
in its individual capacity,
but solely as Trustee,

Attest:

by

Authorized Officer

Authorized Officer

[Seal]

MERCANTILE-SAFE DEPOSIT & TRUST
COMPANY,

by



Assistant Vice President

[Corporate Seal]

Attest:



Corporate Trust Officer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this 10th day of July 1980, before me personally appeared John R. Sager, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of FIRST SECURITY STATE BANK, that one of the seals affixed to the foregoing instrument is the seal of said bank and that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Karla Hendry
Notary Public

[Notarial Seal]

My Commission expires March 12, 1983

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this day of 1980, before me personally appeared , to me personally known, who being by me duly sworn, say that he is an Assistant Vice President, of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this day of 1980, before me
personally appeared
to me personally known, who, being by me duly sworn, says
that he is an Authorized Officer of FIRST SECURITY STATE
BANK, that one of the seals affixed to the foregoing
instrument is the seal of said bank and that said instru-
ment was signed and sealed on behalf of said bank by
authority of its Board of Directors, and he acknowledged
that the execution of the foregoing instrument was the
free act and deed of said bank.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF MARYLAND,)
) ss.:
CITY OF BALTIMORE,)

On this 10th day of July, 1980, before me
personally appeared R. E. Schreiber
to me personally known, who being by me duly sworn, say
that he is an Assistant Vice President, of MERCANTILE-SAFE
DEPOSIT AND TRUST COMPANY, that one of the seals affixed to
the foregoing instrument is the corporate seal of said
corporation and that said instrument was signed and sealed on
behalf of said corporation by authority of its Board of
Directors, and they acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

Florence H. G. [Signature]

Notary Public

[Notarial Seal]

My Commission expires 7/1/82

CONSENT AND AGREEMENT

The undersigned, THE DOW CHEMICAL COMPANY, a Delaware corporation (the "Lessee"), the Lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty and termination payments, liquidated damages, indemnities and other moneys provided for in the Lease (which moneys, other than amounts that are not assigned under the Lease Assignment, are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Units leased thereunder, to the extent such Payments are required to satisfy the obligations of the Lessor under the CSA (as defined in the Lease), by transfer of immediately available funds directly to Mercantile-Safe Deposit and Trust Company, as Agent (the "Vendor"), the assignee named in the Lease Assignment by 11:00 a.m. Baltimore time, on the date such payment is due, by bank wire transfer of immediately available funds to The Annapoolis Banking and Trust Company, Main Street and Church Circle, Annapolis, Maryland, for credit to the Agent's Account No. 52076-1, with a request that The Annapoolis Banking and Trust Company advise Mrs. K. M. Tollberg, Assistant Vice President, Mercantile-Safe Deposit and Trust Company, Baltimore, Maryland, that the funds are "RE: DOW 6/15/80" (or at such other address as may be furnished in writing to the Lessee by the Vendor); any balance shall be paid by the Lessee to the Lessor (by check at its address set forth in § 17 of the Lease, or at such other place and in such other manner as the Lessor may indicate to the Lessee in writing) unless and until the Vendor shall otherwise direct the Lessee in writing;

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, which accepted by the Vendor by signing the Acceptance at the foot hereof, shall be deemed to be a contract under the laws of Michigan and, for all purposes, shall be construed in accordance with the laws of said State.

THE DOW CHEMICAL COMPANY,

by

Vice President

[Corporate Seal]


Attest:

Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 15th day of June 1980.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

by



Assistant Vice President

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, which accepted by the Vendor by signing the Acceptance at the foot hereof, shall be deemed to be a contract under the laws of Michigan and, for all purposes, shall be construed in accordance with the laws of said State.

THE DOW CHEMICAL COMPANY,

by E. J. Williams
Vice President *EW*
by Emory L. Stora
his attorney in fact

[Corporate Seal]

Attest:

L. J. Warlein
Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 15th day of June 1980.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

by)

Assistant Vice President